

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

PAICE LLC,

Plaintiff,

v.

TOYOTA MOTOR CORPORATION, a
Japanese Corporation, TOYOTA MOTOR
NORTH AMERICA, INC., and TOYOTA
MOTOR SALES, U.S.A., INC.,

Defendants.

Case No.: 2:04-CV-211-DF

JURY TRIAL DEMANDED

PAICE LLC'S ANSWER TO DEFENDANTS' COUNTERCLAIMS

Plaintiff-Counterclaim Defendant Paice LLC ("Paice"), by and through the undersigned attorneys, hereby files this Answer to the Counterclaims of Defendants Toyota Motor Corporation, Toyota Motor North America, Inc., and Toyota Motor Sales, U.S.A., Inc. (collectively, "Toyota"). The headings and numbered paragraphs below correlate to those in Toyota's counterclaims.

COUNTERCLAIMS

35. Paice admits that Toyota has asserted counterclaims, but is without sufficient information to admit or deny the remainder of this paragraph, and therefore denies the same.

UNITED STATES PATENT NO. 5,343,970

36. Paice admits that Toyota has denied infringement and challenged validity, but Paice denies that Toyota's infringement and validity averments are true and correct.
37. Admitted.

UNITED STATES PATENT NO. 6,209,672

38. Paice admits that Toyota has denied infringement and challenged validity, but Paice denies that Toyota's infringement and validity averments are true and correct.
39. Admitted.

UNITED STATES PATENT NO. 6,554,088

40. Paice admits that Toyota has denied infringement and challenged validity, but Paice denies that Toyota's infringement and validity averments are true and correct.
41. Admitted.

First Counterclaim—Declaratory Judgment of Noninfringement

42. Denied.
43. Denied.
44. Denied.

Second Counterclaim—Declaratory Judgment of Invalidity

45. Denied.
46. Denied.
47. Denied.

WHEREFORE, Paice denies that Toyota is entitled to any relief sought, requested or otherwise, and prays that this Court enter judgment ordering the same.

Respectfully submitted,

Dated: August 19, 2004

By: /s/ Sam Baxter

Samuel F. Baxter (Bar No. 01938000)
McKOOL SMITH P.C.
505 East Travis Street, Suite 105
Marshall, Texas 75670
(903) 927-2111
(903) 927-2622

Of counsel:

Ruffin B. Cordell (Bar No. 04820550)
FISH & RICHARDSON P.C.
1425 K Street, N.W., 11th Floor
Washington, DC 20005
(202) 783-5070 (phone)
(202) 783-2331 (facsimile)

Robert E. Hillman
FISH & RICHARDSON P.C.
225 Franklin Street
Boston, MA 02110
(617) 542-5070 (phone)
(617) 542-8906 (facsimile)

Andrew D. Hirsch, Esquire
PAICE LLC
6830 Elm Street
McLean, VA 22101
(703) 288-9471 (phone)
(703) 288-9474 (facsimile)

Attorneys for Plaintiff
PAICE LLC

CERTIFICATE OF SERVICE

A true and correct copy of the above and foregoing document was served on the following counsel via the Court's ECF system or by U.S. Mail on this 19th day of August, 2004:

Nicholas H. Patton
Patton, Tidwell & Schroeder, L.L.P.
4605 Texas Blvd.
P.O. Box 5398
Texarkana, Texas 75503

George E. Badenoch
John Flock
Kenyon & Kenyon
One Broadway
New York, NY 10004-1050

/s/ Sam Baxter